

104TH CONGRESS
2D SESSION

S. 2081

To limit Department of Defense payments to contractors for restructuring costs associated with business combinations.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1996

Mr. HARKIN introduced the following bill; which was read twice and referred to the Committee on Armed Services

A BILL

To limit Department of Defense payments to contractors for restructuring costs associated with business combinations.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LIMITATION OF DEPARTMENT OF DEFENSE**
4 **PAYMENTS TO CONTRACTORS FOR RESTRUC-**
5 **TURING COSTS ASSOCIATED WITH BUSINESS**
6 **COMBINATIONS.**

7 (a) RECOMMENDATIONS FOR REVISIONS OF LAW.—

8 (1) Not later than February 1, 1997, the Comptroller
9 General shall, in consultation with the Inspector General
10 of the Department of Defense and the Director of the Of-

1 fice of Management and Budget, submit to Congress a re-
2 port which shall set forth recommendations regarding the
3 revisions of statute or regulation necessary—

4 (A) to assure that the amount paid by the De-
5 partment of Defense for restructuring costs associ-
6 ated with a business combination does not exceed
7 the expected net financial benefit to the Federal
8 Government of the business combination;

9 (B) to assure that such expected net financial
10 benefit accrues to the Federal Government; and

11 (C) in the event that the amount paid exceeds
12 the actual net financial benefit, to permit the Fed-
13 eral Government to recoup the difference between
14 the amount paid and the actual net financial benefit.

15 (2) For purposes of determining the net financial
16 benefit to the Federal Government of a business combina-
17 tion under this subsection, the Comptroller General shall
18 utilize a 5-year time period and take into account all costs
19 anticipated to be incurred by the Federal Government as
20 a result of the business combination, including costs asso-
21 ciated with the payment of unemployment compensation
22 and costs associated with the retraining of workers.

23 (b) LIMITATION ON USE OF FUNDS.—No funds ap-
24 propriated or otherwise made available for the Depart-
25 ment of Defense after the date of the enactment of this

1 Act may be obligated or expended to process or pay any
2 claim for restructuring costs associated with a business
3 combination under the following:

4 (1) Any contract, advance agreement, or nova-
5 tion agreement entered into on or after July 12,
6 1996.

7 (2) Any contract, advance agreement, or nova-
8 tion agreement entered into before July 12, 1996,
9 unless the contract or agreement specifies that pay-
10 ment for costs associated with a business combina-
11 tion shall be made under the contract using funds
12 appropriated or otherwise made available for the De-
13 partment after the date of the enactment of this
14 Act.

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